(c) what is the outcome of these raids conducted on stockbrokers and firms in the country; and

(d) what action has been taken/proposed to be taken by Government in the matter?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) Yes Sir.

(b) On 7.7.1994 and 12.7.94, CBI conducted raids on stockbroking firms at 44 places in the country in connection with bank scam cases.

(c) The relevant incriminating documents have been seized during the searches which are being scrutinsed by CBI.

(d) As the investigation of the cases by the CBI is not yet over, it is premature to indicate the action proposed to be taken in the matter.

Freefloat of rupee

1949. SNRI ANANTRAY DEVSHANKER DAVE:
SHRI CHIMANBHAI MEHTA:

Will the Minister of FINANCE be pleased to state:

(a) what are the reasons that Government do not permit free float of a rupee against foreign currencies in India;

(b) whether it is a fact that the exchange rate of a dollar against rupee would find the ratio of 1 to 28 as against prevailing RBI ratio of 1 to 31.4;

(c) how long the ratio of 1 to 28 would be sustainable; and

(d) whether it is likely to make exports more costly and less profitable?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) After the unification of the exchange rate in March 1993, the exchange rate has been determined by demand for and supply of foreign exchange in the market As there was excess supply of foreign exchange in the market the Reserve Bank of India has been purchasing foreign exchange in order to build up reserves which are required to meet any contingency which may arise from time to time in the context of a more open economy.

(b) and (c) Given that the exchange rate is market determined, its future level cannot be predicted with any certainty.

(d) If the exchange rate was to appreciate, exports will become more costly and less profitable and this may hurt our export growth.

Decline in NSS

1950. SHRI INDER KUMAR GUJRAL: Will the Minister of FINANCE be pleased to state:

(a) what is the total amount presently deposited in the National Savings Schemes accounts in the country:

(b) whether it is a fact that the deposits to the National Savings Scheme accounts have declined sharply after the introduction of provision of deduction of income tax @ 20 percent from the withdrawn amount; if so, details of estimated decline in deposits:

(c) whether it is a fact that the provision regarding deduction of Income Tax from the amount withdrawn from the NSS has resulted in harassment to the Government employees holding such accounts and has not served the purpose for which this provision was introduced; and

(d) whether it is also a fact that provision regarding deduction of Income tax from the withdrawn amount had virtually a retrospective application rather than a prospective one; if so, whether Government propose to review the continuance of this provision after obtaining legal advice?